

CHAPTER 64  
TOURISM PROMOTION—LICENSING PROGRAM

[Prior to 7/19/95, see 261—Ch 60]

**261—64.1(15) Purpose.** The purpose of the licensing program is to generate revenue and to aid in the promotion and marketing of Iowa tourism and special events. The department may issue licenses for use of its logos and other creative materials. Licensing agreements will be awarded to qualified vendors who shall produce merchandise bearing specified registered marks of the department.

**261—64.2(15) Definitions.**

“*IDED*” or “*department*” means the Iowa department of economic development.

“*Licensee*” means the entity receiving the licensing agreement to use the mark on their good(s).

“*Licensor*” means IDED.

“*Mark*” means a registered trademark or service mark of the department.

“*Officially licensed product*” means the article(s) of merchandise or product(s) that has been licensed by the IDED to the licensee.

**261—64.3(15) Licensing eligibility criteria.** An applicant shall meet each of the following criteria to be eligible to be a licensed vendor to produce items bearing the mark as agreed upon in the licensing agreement.

1. The applicant shall have been in operation for at least one year.
2. The applicant shall have a credible reputation as confirmed by the applicant’s financial institution, local chamber of commerce, the better business bureau, or a local economic development group. The department may also contact the consumer protection or other appropriate division of the Iowa attorney general’s office or other state or federal agencies for information about the applicant.
3. The applicant’s product shall be manufactured, processed or originate in the United States of America.
4. The applicant shall not have had a license issued under these rules terminated.
5. The applicant shall demonstrate financial responsibility.
6. The applicant shall not have knowingly made a false statement to the department.
7. If the applicant is a non-Iowa corporation, the applicant shall be registered with the secretary of state.
8. The applicant shall furnish a signed and completed application form provided by the department. The application shall include, but not be limited to, the following:
  - Documentation confirming the applicant has been in operation for at least one year.
  - Documentation confirming the applicant has a credible reputation.
  - Documentation confirming that the applicant’s product is manufactured, processed or originates in the United States of America.
  - A description and one sample (at no charge to IDED) of the product to be licensed.
  - Warranty or guarantee statements covering the product, if available.
  - Copies of promotional literature or brochures, if available.
  - Any other information about the product or applicant as requested by the department.

**261—64.4(15) Review and approval of applications.**

**64.4(1) Application review.** Applications shall be reviewed by IDED staff to determine that the applicant meets the eligibility criteria and these rules. IDED staff may use a project review committee to assist in reviewing applications. IDED staff shall make final recommendations for approval by the director of IDED.

**64.4(2) Application submission.**

a. Applications shall be on the forms provided by the department and contain the information specified in the application materials.

b. After submission of a completed application, applicants may be requested to present their application to IDED staff or the project review committee.

**64.4(3) *Evaluation criteria.*** The department may issue a license to use a mark owned by IDED to any applicant who meets the eligibility requirements established by these rules. In deciding whether to grant a license to an eligible applicant, the department shall consider the following factors:

- a. Background and reputation of the applicant for credibility and integrity;
- b. Financial responsibility of the applicant;
- c. To ensure compatibility with the dignity of the state, general welfare of the people, and goals and objectives of IDED's marketing and promotional efforts, the type of business owned and product on which the mark would be used;
- d. The volume of expected sales and revenue potential;
- e. The accuracy of the information supplied in the application for the license;
- f. Distribution channel and current retail list;
- g. The characteristics of the product such as product appeal, environmental awareness, etc.;
- h. Any other criteria or information relevant to deciding whether to grant the license.

## **261—64.5(15) Licensing agreement.**

**64.5(1) *Agreement provisions.*** Selected licensing applicants shall be required to enter into a licensing agreement with the department. The licensing agreement shall include, but not be limited to, provisions regarding royalties, record retention, use of mark, license term, indemnification, insurance, and termination.

**64.5(2) *Period of performance.*** Licensees shall be granted permission to place the mark on their product for up to one year. IDED shall retain the option to renew the licensing agreement on an annual basis for a maximum of five years.

**64.5(3) *Use of mark.*** Licensee shall use the mark only as stated in the licensing agreement. The licensing agreement shall state specific mark, product, and product description.

### **64.5(4) *Financial terms.***

- a. Applicant shall submit a nonrefundable advance against royalties of \$100.
- b. Licensee shall pay IDED a royalty fee of 1 percent to 15 percent for each item licensed, as negotiated and outlined in the licensing agreement.
- c. Licensee shall provide sales reports as stated in the licensing agreement.
- d. Advance against royalties, royalties and sales reports shall be sent to: Division of Tourism, Iowa Department of Economic Development, 200 East Grand Avenue, Des Moines, Iowa 50309.

### **64.5(5) *Advertising and promotional requirements.***

- a. Licensee shall be allowed to use the term "Officially Licensed Product of the Iowa Division of Tourism" in promoting the licensed product.
- b. Licensee shall be required to tag or mark the merchandise with IDED "Officially Licensed Product" mark label.
- c. IDED shall provide camera-ready artwork and design guides to produce "Officially Licensed Product" mark.
- d. Licensee shall follow the graphic standards as outlined in IDED graphic standards manual for producing licensed products.
- e. Licensee shall not imply an endorsement or sponsorship by IDED, division of tourism, or the state of Iowa concerning their licensed product or any other product.

**261—64.6(15) Requests for information.** Information about the licensing program may be obtained by contacting: Division of Tourism, Iowa Department of Economic Development, 200 East Grand Avenue, Des Moines, Iowa 50309.

These rules are intended to implement Iowa Code section 15.108(5) “o.”

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